

INTERNAL REVENUE SERVICE
NATIONAL OFFICE TECHNICAL ADVICE MEMORANDUM

June 17, 2015

Third Party Communication: None
Date of Communication: Not Applicable

Number: **201537023**
Release Date: 9/11/2015
Index (UIL) No.: 7805.01-01
CASE-MIS No.: TAM-123351-14

Director

Taxpayer's Name:

Taxpayer's Address:

Taxpayer's Identification No
Year(s) Involved:
Date of Conference:

LEGEND:

Issuer =

State =

Developer =

Development =

A =

Bonds =

Date 1 =

Date 2 =

Date 3 =

Date 4 =

Date 5 =

Date 6 =

ISSUE:

Should the Issuer's request for relief under section 7805(b) of the Internal Revenue Code (Code) from the retroactive application of the ruling issued in technical advice memorandum 201334038 (May 9, 2013) (TAM 1) to the Bonds be granted?

CONCLUSION:

Taxpayer's request for relief under section 7805(b) from retroactive application of TAM 1 to the Bonds is granted.

FACTS:

This memorandum incorporates by reference the facts provided in TAM 1. For purposes of section 1.103-1(b) of the Income Tax Regulations, we ruled in TAM 1 that the Issuer was not a political subdivision at any time during the period from Date 1 through Date 2 because the Issuer was not a division of a State or local governmental unit during that period. On Date 3, the Issuer submitted a technical advice request for relief under section 7805(b) with respect to the ruling in TAM 1. On Dates 4, 5, and 6, the Issuer supplemented its request for section 7805(b) relief.

LAW AND ANALYSIS

Section 7805(b)(8) provides that the Secretary of the Treasury may prescribe the extent, if any, to which any ruling (including any judicial decision or any administrative determination other than by regulation) relating to the internal revenue laws shall be applied without retroactive effect.

Under section 301.7805-1(b) of the procedural regulations, the Commissioner may prescribe the extent, if any, to which any ruling relating to the internal revenue laws, issued by or pursuant to authorization from the Commissioner, shall be applied without retroactive effect.

Section 14.01 of Rev. Proc. 2015-2 provides that a taxpayer with respect to whom a TAM is issued or for whom a TAM request is pending may request that the appropriate Associate Chief Counsel limit the retroactive effect of any holding in the TAM or of any subsequent modification or revocation of the TAM. A request to limit the retroactive effect of a TAM during the course of examination must be made in the form of a request for technical advice and must state that it is being made under section 7805(b). Additionally, the request must explain the rationale in support of the relief sought and must include any documents relevant to the request. See section 14.02 of Rev. Proc. 2015-2.

Based on the circumstances of this case, we conclude that the criteria for section 7805(b) relief have been satisfied and the Issuer is entitled to relief. Therefore, TAM 1 will be applied without retroactive effect.

CAVEAT(S):

A copy of this technical advice memorandum is to be given to the taxpayer(s). Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.